

RECORDATION NO. 5875 Filed & Recorded

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INTERSTATE COMMERCE COMMISSION

**SECURITY AGREEMENT IN THE NATURE OF
CHattel MORTGAGE**

KNOW ALL MEN BY THESE PRESENTS: That, on this 1st day of September, 1970, PRESSURE TANK CAR COMPANY, a Delaware corporation, with its chief place of business at 200 North Avenue, East, in the Town of Westfield, State of New Jersey 07091 (hereinafter called the "Mortgagor"), for securing the payment of the money herein mentioned and in consideration of the sum of One Dollar (\$1.00) to it duly paid by The Central Jersey Bank & Trust Company of the State of New Jersey, having an office at 177 East Broad Street, Westfield, New Jersey 07091 (hereinafter called the "Mortgagee") at or before the enclosing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted to the Mortgagee a security interest in the following tank cars and has bargained and sold and conveyed, and by these presents does bargain and sell and convey unto the said Mortgagee all its right, title and interest in and to the following tank cars:

- A. Five (5) 100 ton 33,000 Gallon Water Capacity, ICC Class 112A340W dual use tank cars bearing reporting marks GGCK 1201 thru 1205.
- B. Nine (9) 50 ton 10,500 Gallon Water Capacity, ICC Class 105A300W dual use tank cars bearing reporting marks in the PGAX 8500 and 8600 series.

TOGETHER WITH all parts, fittings, accessories, equipment, special tools, renewals and replacements of all or any part thereof, whether now owned or hereafter acquired by the Mortgagor, and any and all proceeds thereof.

TO HAVE AND TO HOLD all and singular the said tank cars and related equipment and proceeds above bargained and sold and conveyed or intended so to be unto the said Mortgagee forever, and the Mortgagor all and singular said tank cars and related equipment and proceeds above bargained and sold and conveyed unto the said Mortgagee, against the Mortgagor and against all and

Upon condition that:

1. If the Mortgagor shall well and truly pay or cause to be paid unto the Mortgagee the principal sum of \$76,600.00, together with interest thereon at the rate of Nine and one-half per cent ($9\frac{1}{2}\%$) per annum in 60 equal monthly installments of Twelve hundred fifty-one and $95/100$ Dollars (\$1,251.95) each, commencing October 1, 1970 and on the first day of each month thereafter, and a final installment of Twenty-seven thousand four hundred eighty-two and $73/100$ Dollars (\$27,482.73) (including \$215.86 interest) on October 1, 1975, making a total of sixty-one (61) payments constituting sixty (60) straight level payments including interest at the rate of nine and one-half per cent ($9\frac{1}{2}\%$) per annum on \$76,600.00 (calculated on a seven (7) year payout), said monthly installments to be applied first to the payment of interest accrued to the date of such payment and then to principal, all pursuant to the terms of a promissory note of the Mortgagor delivered to the Mortgagee.

2. If the Mortgagor shall well and truly perform all of the terms, covenants and conditions of the aforementioned promissory note, this security agreement and said promissory note, then these presents shall be void; otherwise this security agreement shall remain in full force and effect.

And the Mortgagor does covenant and agree with the Mortgagee that in case default shall be made in the payment of any of the said sums above mentioned or in the performance of any obligation, covenant or condition above mentioned or in case the Mortgagor shall at any time before the day of the payment herein provided for secret, sell, destroy or exchange the said tank cars subject hereto otherwise than is hereinafter provided, or permit or suffer any attachment or lien or other process against property to be issued against said tank cars, then all unpaid installments of the said sums of money hereinabove mentioned shall become instantly due and payable and then it shall and may be lawful for and the Mortgagor does hereby authorize and empower the said Mortgagee, but only to the extent that it may lawfully

do so under the Uniform Commercial Code or other applicable law, with the aid and assistance of any person or persons to enter upon or into any places or premises whatsoever in which the said tank cars are or may be placed and take the said tank cars and to sell and dispose of the same at the best price they can obtain; and out of the money arising therefrom to retain and pay the said sums above mentioned and all charges touching the same, rendering the surplus (if any) to the Mortgagor; and, further, the Mortgagee shall have all of the rights and remedies of a secured party under the Uniform Commercial Code or other applicable law.

And it is expressly agreed by and between the parties to these presents as follows:

1. The Mortgagor represents and warrants that the tank cars subject to the lien hereof are not subject to any other lien, mortgage or encumbrances.

2. All payments to be made by the Mortgagor hereunder or under the aforementioned promissory note secured hereby or otherwise shall be free of expenses to the Mortgagee for collection or other charges and of the amount of any local, state or federal taxes (other than income taxes) or licenses, which taxes and licenses the Mortgagor assumes and agrees to pay. The Mortgagor will promptly pay all taxes and assessments which may be imposed upon the tank cars or for the use thereof or upon the earnings arising therefrom or from the operation thereof by any jurisdiction in which the cars are operated.

3. The mortgagor shall not place any lettering or markings of any kind upon the tank cars which are inconsistent with A.A.R., ICC and DOT rules and will maintain such lettering or marking as shall from time to time be required by such rules, all in such manner as to preserve the Mortgagee's interest in said tank cars. Mortgagor will cause to be plainly, distinctly, permanently and conspicuously placed and fastened on each side of each tank car subject hereto a stencil with the name "The Central Jersey Bank & Trust Company, Mortgagee."

4. In the event of the loss or destruction of or irreparable damage to any of the tank cars from any cause whatsoever prior to the payment in full of the moneys secured hereby, the Mortgagor shall promptly and fully inform the Mortgagee in regard to such loss, destruction or damage. The Mortgagor shall promptly replace such tank car or cars at its own cost with a car or cars of similar type and of substantially as good material and construction as that of those lost, destroyed or damaged, subjecting such new tank car or cars to the lien hereof by appropriate instruments. Title to all such replacement cars shall be free and clear of all liens and encumbrances and shall be subject to the provisions hereof.

5. The Mortgagor shall at all times and at its own expense keep the tank cars insured (with loss payable to the Mortgagee or the Mortgagor as their interest may appear) in a company or companies approved by the Mortgagee against such losses as are customarily insured against by prudent operators and owners of similar type tank cars.

6. The Mortgagor will at all times maintain the tank cars in good order and repair without cost to the Mortgagee.

7. The Mortgagor will comply in all respects with all laws of the United States and of the States and territories in which its operations involving the tank cars may extend and with all lawful rules of the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the tank cars.

8. The Mortgagor will keep the tank cars in continental North America.

The Mortgagor will pay or satisfy and discharge any and all sums claimed by any person by, through, against or under the Mortgagor and its successors or substitutes or assignees which if unpaid might become a lien or charge upon the tank cars or any of them equal or superior to the title of the mortgage therein, but need not pay or discharge any such claims

as long as the validity thereof shall be contested in good faith and by appropriate legal proceedings in any reasonable manner which will not affect the title and lien of the Mortgage in and to the tank cars.

All of the covenants and conditions hereinabove contained shall be for the benefit of and shall apply to and bind the said parties and their respective successors and assigns.

IN WITNESS WHEREOF, The Mortgagor and Mortgagee have hereto caused these presents to be signed by their proper corporate officers and caused their proper corporate seals to be hereto affixed, the day and year first above written.

ATTEST:

PRESSURE TANK CAR COMPANY

Veronica Bain

By Wm B Thomas
President

ATTEST:

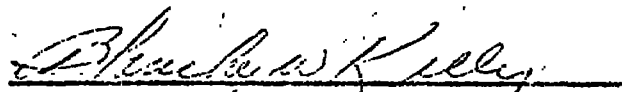
THE CENTRAL JERSEY BANK & TRUST
COMPANY

Ann R. Lanher
Assistant Treasurer

By M. G. Guidotti
Title
Executive Vice President

STATE OF NEW JERSEY)
) ss.
COUNTY OF UNION)

BE IT REMEMBERED, that on this 1st day of September, 1970,
before me, the subscriber, a Notary Public of New Jersey, personally
appeared H. A. Guiditta, Executive Vice President of the Central Jersey
Bank & Trust Company, the Mortgagee named in the within Security
Agreement, who, I am satisfied, is the person who has signed the within
instrument; and I having first made known to him the contents thereof,
he thereupon acknowledged that he signed, sealed with the corporate seal
and delivered the said instrument as such officer aforesaid; that the
within instrument is the voluntary act and deed of said corporation, made
by virtue of authority from its Board of Directors.



NOTARY PUBLIC OF NEW JERSEY
My Commission Expires Jan. 23, 1971